

Central Intelligence Agency



Washington, D.C. 20505

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MEMORANDUM FOR: Dr. Norman A. Bailey
Senior Director
National Security Planning
National Security Council

FROM: R. M. Huffstutler
Director of Soviet Analysis

SUBJECT: Sakhalin Offshore Oil Development

1. In October 1975 the USSR concluded a contract with the Japanese Sakhalin Oil Development Corporation (SODECO). This initial agreement did not include any deadlines regarding the start of exploration or production. [REDACTED]

2. Later information indicates that exploration was originally scheduled for completion in 1980 but that the completion date was extended to 1982. Exploration of the Chayvo field, the anticipated source of most of Sakhalin's oil production, reportedly is finished. Exploration of the second principal structure, Odoptu, is to continue this year. [REDACTED]

3. Detailed design of the permanent production platform is to begin in September. Although non-US firms could provide the design, US experience is preferred. Other services in support of the drilling effort could be provided by foreign firms, but US expertise is desired. [REDACTED]

4. Furthermore, the short offshore drilling season (July-October) means that delays caused in finding non-US participants could lead to the loss of an entire year of drilling. Although Chayvo exploration is complete, further drilling is required (principally to analyze the sea floor) in order to proceed with detailed design of the production platform. Therefore, the start of production could be delayed by as much as one year. [REDACTED]

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